Incentives for Increasing Plant Load Factor

2026. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the private companies now offering to set up power plants in India will be given extra benefits, after achieving certain level of Plant Load Factor;

(b) if so, the details thereof;

(c) whether these benefits were also offered to the existing SEB's and other public undertakings involved in the power generation|distribution; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) and (b) Tariff for sale of power by Generating Companies to State Electricity Boards is governed by the provisions of the Power Purchase Agreements negotiated between them. As per the tariff notification issued by the Central Government under Section 43A(2) of the Electricity Supply Act, the maximum incentive which could be paid for generation beyond the normative level of PLF of 68.5 per cent is 0.7 per cent of return on equity, for each percentage point increase.

(c) The above provision is applicable to all thermal power projects to be set up by the Generating Companies (including those in public sector) whose financial package for investment is approved by the Central Electricity Authority on or after the date of the tariff notification, namely, 31.3.1992.

(d) Does not arise.

Financial Assistance to Private Promoters in Power Sector

2027. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of POWER be pleased to state::

(a) whether one of the reasons for private promoter's involvement is scarcity of funds in power sector;

(b) whether it is a fact that private promotors of power projects are being allowed to raise upto 40 percent of their funds requirement from financial institutions in India;

(c) if so, what has prevented to public sector power generating companies and others to raise these funds from these institutions; and

(d) why foreign companies are being allowed to raise funds from our market?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) and (b) Yes, Sir.

(c) and (d) The public sector power generating companies and others are not prevented from raising funds from Indian Financial Institutions. The guidelines for setting up of power projects are equally applicable to the generating companies both in private and public sector. As any power project set up in India will have significant local expenditure, it is a prudent policy to allow the promoters to raise rupee resources also. Government also regulates maximum external commercial borrowings with a view to managing country's external debt profile.

Power Tariff

2028. SHRI PRAMESHWAR KUMAR AGARWALLA: Will the Minister of POWER be pleased to state:

(a) what is the average tariff charged for power per unit supplied to consumers these days;

(b) what is the tariff of power per unit likely to be charged after the private companies which are now setting up power plants, commence production;

(c) whether the rates would enable the SEB's to distribute power to consumers without any amount of subsidy;

(d) if not, what is the estimated loss per annum to SEB's on that account; and

(e) in what manner SEB's propose to meet that extra expenditure?